

KANSAS RACING AND GAMING COMMISSION

MINUTES – DECEMBER 14, 2018

CALL TO ORDER (A.)

Chairman Brandon Jones called the December 14, 2018 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Larry Turnquist, and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Turnquist (Myres) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE NOVEMBER 16, 2018 MEETING MINUTES (C.1.)

Commissioner Moses (Turnquist) moved to approve the minutes of the November 16, 2018 meeting. Motion carried unanimously.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- November 2018 revenue numbers compared to November 2017:
 - Total gaming revenue increased 2.70%
 - Total slot revenue increased 1.77%
 - Table games revenue increased 9.01%
- Past Promotions and Events:
 - Thanksgiving Special Offers & Buffet
 - Hunting Opening Day Giveaway
 - The Oakridge Boys, November 29th
- Upcoming Promotions and Events:
 - Ninth Anniversary Hot Seats
 - Christmas Day Buffet
 - Jeff Foxworthy, February 8th
 - Harlem Globetrotters, February 11th
 - Gary Allen, February 15th

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Jeff Babinski, General Manager, reported:

- November 2018 revenue numbers compared to November 2017:
 - Admissions down 2.4%
 - Total gross gaming revenue down 4.4%
 - Slot coin-in up 0.3%
 - Slot hold down 0.3 points
 - Table games drop down 15.7%
 - Table games hold up 0.3 points
 - Poker room revenue down 25.6%
- Past Events and Promotions:
 - Matchroom Boxing, November 17th
 - Miss Kansas USA & Miss Kansas Teen USA Pageants, November 24th and 25th
 - Mix, Mingle, and Jingle Party, November 30th
 - Cirque Musica Holiday Show, December 1st
- Upcoming Promotions and Events:
 - New Year's Eve

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Richard Skinner, General Manager, reported:

- November 2018 revenue numbers compared to November 2017:
 - Total gaming revenue was \$11.8 million, a decrease of \$225,000 or 1.9%
 - Table games revenue was \$1.5 million, flat to prior year
 - Slot revenue was \$10.3 million, a decrease of \$223,000 or 2.1%
- November Events and Promotions:
 - Marquee Mall Event
 - Thanksgiving "Fixins" Giveaway
 - Black Friday Mystery Offer, November 23rd

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- November 2018 revenue numbers compared to November 2017:
 - Admissions decreased 2.4%
 - Net slot win increased 7.9%
 - Net table games win decreased 12.6%
 - Net gaming revenue increased 5.5%

- Past Events and Promotions:
 - November Saturdays – Wild Turkey Progressive
 - November Tuesdays – Double Points and Double Jackpots
 - VIP Blackjack Tournament, November 17th
 - Bills, Bills, Bills – Invited guests receive either a \$20, \$50, or \$100 bill, November 23rd
 - Comedian Orny Adams, November 30th
- Upcoming Events and Promotions:
 - Country Singer Moe Bandy, December 15th
 - Tune-in TV Giveaway, December 22nd
 - Crossing Cash for a Year – One patron will win \$100 a week and one patron will win \$250 a week for all of 2019, December 29th
 - “Drive into 2019” Top prize – Dodge Ram truck, December 30th
 - “\$31k on the 31st” Top prize - \$19,000 at midnight, December 31st
 - Live Band Karaoke, January 11th and 12th
 - Rock Band Great White, January 26th

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

There were no new business items.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1.a. and I.2)

Sarah Lynch-Chaput, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of November 2018.

Executive Director Brownlee reported:

- A joint hearing by Federal and State Affairs committees was held on sports wagering on December 4th. No formal action was taken during the hearing, but a report on sports wagering will be submitted to the legislature. Highlights of testimony from Ohio Senator Bill Coley, who is also Chair of the National Council of Legislators from Gaming States, included:

- Illegal sports wagering is a multi-billion dollar business.
- The best way to combat illegal sports wagering is with legal sports wagering.
- A lower tax rate of less than ten percent is recommended because players now gambling on illegal sites won't move to legal sports wagering venues where payouts would be lower due to high tax rates.
- Revenue from sports wagering is not high. For example, sports wagering in Nevada is only two percent of total gaming revenue.
- The majority of sports wagers are placed through mobile applications, such as in New Jersey where two-thirds of sports wagers are placed through mobile betting sites.
- States need to consider how sports wagers will be allowed (e.g., through brick and mortar locations, internet, and/or mobile sites), and which types of sports wagering will be allowed, such as win-loss or in-play betting. Seventy percent of sports wagers across the country are from in-play betting.
- An integrity fee for major league sports is not recommended.
- A central portal where all betting data comes into one database should be considered.
- The Legislative session will start on January 14th.
- The Quapaw tribe has been approved to open a casino in Jefferson County Arkansas and has granted "land in trust" status for 211 acres in Cherokee County Kansas. The tribe has stated it is not their intent to use the land for gaming.
- A bill was introduced in Congress that would require federal approval for the states to allow sports wagering.
- Dodge City supervising agent Kent Schoen will retire on January 12, 2019, and one enforcement agent has resigned effective December 21, 2018.

Commissioner Turnquist asked if Ohio had already passed legislation on sports wagering. Commissioner Moses inquired about potential impacts on KRGK if legislation is passed in Kansas this legislative session. Chairman Jones asked if mobile applications for sports

wagering would be through the Kansas casinos or if anyone in the nation could sign up for it.

DISCIPLINARY REVIEW
PROCESS
(J.1)

A disciplinary proceeding was held in the matter of KRGC case number 2018-1001 (Phetsamone Keovongkoth). The commission reviewed evidence and heard statements from Enforcement Attorney Michelle Neis. Respondent was not present.

MOTION TO UPHOLD
DRB'S
RECOMMENDATION
(J.1)

Commissioner Moses (Turnquist) moved to uphold the Disciplinary Review Board's findings of facts, conclusions of law, and sanction issued in KRGC case number 2018-1001 in the matter of Phetsamone Keovongkoth with the modification of a \$700.00 fine that can be paid in installments. Motion carried with three ayes and one nay.

MOTION, EXECUTIVE
SESSION; BACKGROUND
REPORTS
(K.1)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of deliberating on license applications, including reviewing confidential background reports. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be fifteen minutes until 11:45 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:30 a.m.

RECONVENE

The commission meeting returned to open session at 11:45 a.m. with all members present.

MOTIONS ON LICENSE
APPLICATIONS
(L.1)

Commissioner Turnquist (Myres) moved to *conditionally approve* two license applications, *table* one license application, and *approve* the remaining 192 license applications from the December 14, 2018 list of background reports referred to the commission for action. Motion carried unanimously.

FURTHER COMMISSION
ACTION - MOTION TO
RECONSIDER COMMIS-
SION'S SANCTION ON
KRGC CASE NO. 2018-1001

Commissioner Myres requested that the commission reconsider the previous action taken on licensee Phetsamone Keovongkoth. Commissioner Moses (Turnquist) moved to reconsider previous

(L; J.1)

commission action on KRGC case number 2018-1001. Motion carried unanimously.

FURTHER COMMISSION
ACTION - MOTION TO SET
ASIDE COMMISSION'S
SANCTION ON KRGC
CASE NO. 2018-1001
(L; J.1)

Commissioner Myres (Moses) moved to modify the earlier commission-issued sanction in KRGC case number 2018-1001 to no fine. Michelle Neis, Enforcement Attorney, spoke on behalf of the agency. Motion did not pass with one aye and three nays.

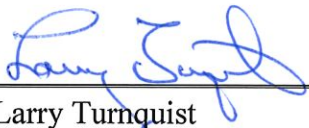
FURTHER COMMISSION
ACTION - MOTION TO
MODIFY COMMISSION'S
SANCTION ON KRGC
CASE NO. 2018-1001
(L; J.1)

Commissioner Moses (Turnquist) moved to modify the sanction in KRGC case number 2018-1001 to \$350.00, payable in installments of no less than \$50.00 per month, and if the fine remains unpaid at the time of a future Kansas license application, any approval will be conditioned on payment of the fine. The motion passed with three ayes and one nay.

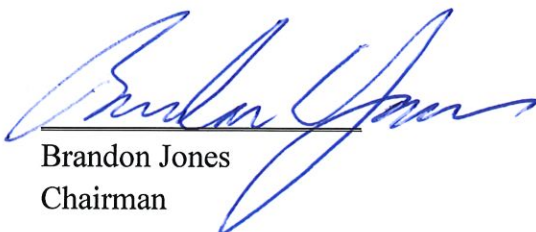
ADJOURN
(M.)

Commissioner Turnquist (Myres) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 12:02 p.m.

SUBMITTED BY:


Larry Turnquist
Secretary

APPROVED BY:


Brandon Jones
Chairman